1999 Annual Report

Geac

a new era

CORPORATE PROFILE

Geac is a provider of mission critical software and systems solutions to large and medium sized corporations around the world. Geac solutions include cross-industry enterprise business solutions, hospitality systems, property applications, publishing systems and banking solutions. Geac also provides a wide range of applications for libraries, public safety and network systems. Headquartered in Markham, Canada, Geac has more than 90 offices in 16 countries and serves customers in more than 40 countries worldwide. Geac product and service information is available on the World Wide Web at http://www.geac.com.

CONTENTS

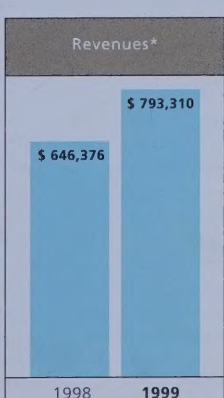
financial highlights

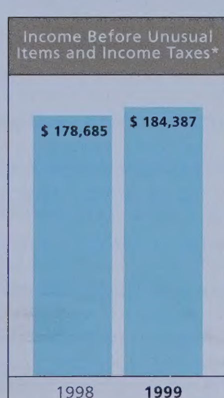
(thousands of dollars, except per share amounts)	Years Ended April 30 1999	1998
Revenues	**$ 793,310**	$ 646,376
Income before unusual items and income taxes	**184,387**	178,685
Unusual items	**268,854**	–
Net income (loss)	**(111,567)**	168,685
Earnings (loss) per share (basic)	**$ (1.80)**	$ 2.82
Shareholders' equity	**164,364**	277,757
Operating Cash Flow(1)	**201,736**	223,762

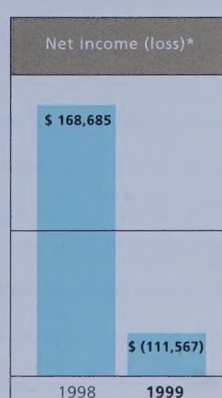
Divisions of Geac:

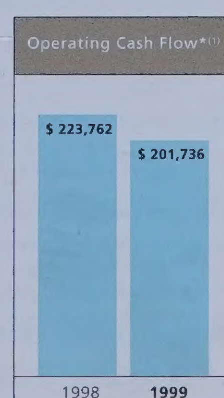
Enterprise Solutions • Hospitality Systems • Publishing Systems • Property Systems

Banking Systems • Other (Library, Public Safety, Network Services)









* thousands of dollars

(1) before changes in non-cash working capital

Douglas Bergeron, President and CEO

report to our shareholders

Welcome to a new era of growth and success for your company.

Over the past decade, Geac has grown to become Canada's largest and most profitable software company and indeed one of the largest and most successful in the world. We enter our new era of growth with a new management team, a new vision, and a defined three-part strategy to meet our goal of delivering above-average and highly predictable returns for our shareholders.

Since 1990, Geac has capably and effectively acquired over forty companies and products, transforming the Company into a leading global provider of mission critical software applications supplying a number of distinct business disciplines. These applications, and our future applications, share a common and consistent theme.

Our applications process the core of our customers' businesses and are absolutely critical to our customers' success in their own industries. They are not discretionary purchases nor are they easily replaced. They often have undervalued life spans which are much longer than a typical software application; once a mission critical system is installed it typically stays in production for many years. Finally, each of our applications has hundreds or thousands of worldwide customers who look to us to further enhance their existing investment through add-on technologies and services.

With these applications now securely in place at over 25,000 customer locations, we have developed a three-part strategy for continued growth:

- Leverage our incumbency and market position within our existing strategic business lines by keeping customers satisfied with highly dependable systems and add-on technologies
- Rapidly acquire many of the fragmented market share components in our existing markets, transitioning Geac from an opportunistic acquirer to a focused and strategic consolidator that builds niche leadership in the businesses we serve
- Organize ourselves as nimble entrepreneurs, empowering each business unit to act in its own best competitive interest but subject to closely monitored short-term and long-term performance criteria.

Included in this report are a number of examples of how we are implementing these aggressive growth strategies. In order to execute these growth strategies, Geac will build on a number of key strengths.

First, Geac is financially strong and enormously stable. Currently generating nearly $1 million per business day in free cash flow, Geac possesses the resources to continue its record of successfully acquiring and integrating software businesses. Our continuing capacity to generate free cash flow further strengthens the Company, and combined with our unused credit lines provides a formidable war chest with which to facilitate additional acquisitions. Each business that we acquire will, on its own, add to our positive free cash flow, quickly replenishing our war chest to repeat the process indefinitely.

Second, Geac has proven itself an adroit and disciplined acquirer of software businesses. We have demonstrated our ability to make acquisitions at the right price, to integrate them into our management structure, and to reduce overheads and increase operating margins. The current climate provides a plethora of acquisition opportunities, including many good growth companies, at prices consistent with our historic tolerance levels. Unlike many of our competitors, we focus on acquiring companies with a proven functional solution and an established track record and customer base. We are not searching for "the next great idea". We target niche industries where we can become the leader through the consolidation of fragmented components that are undergoing technical, financial or management difficulties.

Once established in a market, we build on our leadership position by acquiring further complementary technologies to add functional capability and identified customer solutions.

Geac's third strength is derived from its corporate structure. While Geac is Canada's largest software firm, and among the top twenty-five in the world, we value above all else the entrepreneurial spirit of our business unit and country management teams.

The successful implementation of this niche leadership strategy benefits Geac's shareholders in a number of ways. With a large customer base, we enjoy significant competitive advantages with new products and solutions as they are developed or acquired. We become the "first call provider" in these markets, as customers look to us first to provide the new or add-on systems solutions for their needs. In addition, economies of scale and synergies in operating and selling overheads generate higher profit margins and increased free cash flow.

Geac is structured into vertical business groups within North America and geographic units internationally. We keep each business unit manageable in size to ensure that the spirit of the entrepreneur is maintained. Our corporate office team is also lean, acting as support and providing a skilled group ready to act quickly when acquisitions are identified.

The nurturing of our business units is critical because, in addition to delivering a significant return on investment for our shareholders, they are our best source of new acquisition candidates. Thousands of Geac employees are in the field every day, listening to their customers and learning about their competitors. Such market intelligence is invaluable and is key to our continued growth. In reality, our new acquisition team has over 3,000 members.

Finally, Geac's strong position in a number of distinct markets generates internal growth opportunities, in addition to providing a stable platform of revenue on which to build. In 1999 over 77% of Geac's sales were derived from recurring maintenance and predictable service revenues.

1999's financial performance reflects these strengths. Revenues rose 23% to $793.3 million for the year, producing an increase in operating income before taxes and unusual items to $184.4 million from $178.7 million in 1998. Not including any provisions relating to past acquisitions, this same core operating income would have been approximately $165 million.

Since coming on board in late April, your new management team has conducted a comprehensive and extensive review which resulted in a number of one-time charges being recorded at year-end aimed at more accurately reflecting the current value of the Company's intangible assets. In addition, our review determined that a reorganization of specific areas within the Company was needed, and provisions for these costs were charged to income. As a result of these and other one-time charges, Geac produced a net loss of $111.6 million or $1.80 per common share compared to a profit of $168.7 million or $2.82 per common share in 1998. Excluding the impact of these one-time charges, Geac's net income would have been $161.3 million or $2.60 per common share. The one-time charges taken in fiscal 1999 will have little impact on our ongoing cash flow.

In conjunction with our evaluation, we have also instituted a number of accounting changes, including an expectation that R&D activities will be expensed. We will also amortize the remaining and any future goodwill over a maximum ten years rather than the current practice of twenty years.

Looking ahead, Geac has set a number of aggressive growth and return on investment benchmarks. Our goal is to become a company that records over $2 billion annually in revenues within the next four years, while maintaining our benchmark 20% or better pretax operating margin. Most importantly, we pledge to be a predictable, sound, long term investment for our shareholders.

In conclusion, I want to personally thank everyone who has made my first few months at Geac so enjoyable. I joined this great company because I could see and feel the fantastic potential that exists here. We possess the talent, the drive, and the resources to achieve our aggressive goals and to achieve them with the utmost of professionalism. I look forward to working with all of the employees of Geac to execute the plan we have outlined and to deliver the results that you, our shareholders, expect.

Douglas G. Bergeron

Douglas Bergeron
President and Chief Executive Officer

STRATEGY IN ACTION

In two short years, Geac has transformed its SmartEnterprise Division into a leading global supplier of business management solutions.

The purchase of Dun and Bradstreet Software Services in November 1996 nearly tripled the Company's consolidated revenues and transformed Geac into a leading global supplier of financial, human resources and business intelligence applications for both mainframe and client/server environments. While the newly acquired division possessed all the elements of a successful software developer and supplier, it had been producing losses for its former owners. Geac immediately focused on generating acceptable profits, and split the division into two distinct operations to better assess the strengths and weaknesses of each.

The mainframe division met one of Geac's key acquisition criteria by possessing an installed base of some 2,000 customers, including many of the world's largest and most successful organizations. This is one of the division's most important assets but one that had largely been neglected. Geac recognized the inherent value of this mature business, and concentrated on listening and responding to the needs of its customers. The operation was repositioned and product lines rationalized, transforming it into a "best of breed" developer and supplier of software for the financial and human resources markets, and financial performance has exceeded expectations.

SmartStream, focused on the client/server market, had a smaller, but equally impressive, installed base but had attempted to be all things to all markets. Again, by getting close to its customers, Geac responded to their needs for "best of breed" solutions focused on defined vertical niche markets. Investments in internet and improved workflow capabilities continue to enhance the business value Geac delivers to its customers.

Geac was able to improve the efficiency of both groups, and in 1998 they were re-united under the SmartEnterprise brand, eliminating duplicate costs. More importantly, Geac responded to customer demands to provide one contact point for both their enterprise system and client/server needs.

Steve Shine, General Manager, SmartEnterprise Solutions

! service value

"Our ability to identify acquisition opportunities that possess all the elements of a successful software enterprise, and then apply our management expertise to deliver above average returns has transformed Geac into Canada's largest software company."

Through a focused acquisition program, Geac's Hospitality Division has become a leading supplier of software solutions and services to this growing niche market.

Geac Hospitality Systems Division has been providing superior software solutions and services for over 25 years. Building on its historic strengths as a leader in management solutions for both mid-sized and large hotels, restaurants and resorts, Geac has acquired a number of software companies focused on delivering additional value to its installed base of customers.

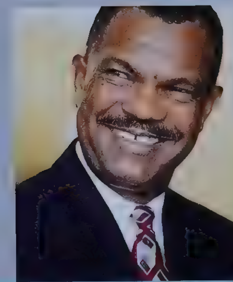
Early on Geac recognized that to become a total solution supplier to the hospitality industry, it would have to bring in a number of complementary products necessary to operate and manage hotels. Geac management spent considerable time in the field talking to customers and identifying their needs.

A number of acquisitions in 1994 transformed Geac into one of the world's largest suppliers of hotel management systems. Point of Sale capabilities were added allowing service areas such as restaurants, lounges, gift shops, pro shops and business centres to post guest charges directly to Geac's Hospitality Management System.

The acquisition of Remanco, added full function point of sale systems for restaurants, offering open systems architecture, innovative colour and remote handheld terminals. With this acquisition, Geac also entered the stand-alone restaurant market, and provided additional functionality for its hotel and resort clients.

Recently, Geac completed the purchase of UK-based Phoenix Systems Limited. Phoenix provides real-time back office support for the quick-service restaurant industry, reviewing information provided by the front-end POS systems, and helping to drive costs down through materials purchasing, staff efficiencies and inventory management. When integrated with Geac's innovative POS systems, the Company possesses a complete product offering for the fast-food restaurant industry, a new market for Geac.

Jesse Adams, President, Geac Hospitality Systems



%

demographic value

"Geac's ability to acquire additional functionality to complement its core products has given us the ability to add value for our current customers while at the same time entering new markets. Today, Geac leads the hospitality industry with the best state-of-the-art software solutions and services."

By identifying a client need and successfully executing a focused acquisition search, Geac now offers complete end-to-end production and business information systems for the newspaper publishing industry.

With the acquisition of Collier Jackson in 1994 Geac entered a new vertical market, supplying advertising, circulation and distribution back office business solutions for the newspaper publishing industry. Geac immediately turned its attention to ensuring the newly acquired "best of breed" products continued their dominant position in the North American newspaper publishing market. Geac Publishing is now providing business solutions to more than 300 publications resulting in an estimated 33% market share of North American dailies.

Recognizing it possessed the best back office productivity and management solutions in the publishing business, Geac set its sights to locate and acquire editorial and classified production processing capabilities in order to provide its customers with a sole source solution. A focused search resulted in the purchase of Cybergraphic Systems Limited in June 1999. Based in Melbourne Australia, Cybergraphic is a leading international supplier of integrated information management solutions for editorial, advertising, pagination and Internet functions. Revenues have grown more than 20% annually over the past three years, and Cybergraphic holds an estimated 80% share of the Australian newspaper publishing market.

Geac's search criteria required that any acquisition candidate must base its solutions on a technology platform common to Geac to ensure a seamless integration. Both Cybergraphic's products and Geac's Visionshift suite utilize Microsoft Windows NT and SQL Server, and integration is progressing smoothly.

Geac now possesses an end-to-end solution for the newspaper publishing industry. In addition, there is a significant opportunity to sell Geac Publishing products into Cybergraphic's customer base, and the newly acquired production solutions to Geac's North American clients and new named accounts.

Warren Fletcher, President, Geac Publishing Systems

+ acquisition value

"The acquisition of Cybergraphic added significant market share to an existing vertical market, while also providing synergies in the distribution channel and the leverage to expand sales with current clients and into a new geographic region."

By applying the right management, methods and market insight, Geac transformed *SmartStream Reconciliations* from a narrow niche offering into a leading solution for the global banking industry.

As a component of its financial services product suite, Geac had offered a module used to reconcile cash and securities for banks and other financial institutions on a small, local basis.

Two years ago, management recognized that a new business opportunity might exist based around this reconciliation software solution. Geac knew that in the transformation of banks to global enterprises, they would need faster and more accurate reconciliation systems that could be used across an entire worldwide network. Systems employed at the time were an inflexible mixture of manual and computer-based solutions characterized by high cost and inefficiency. Suppliers of reconciliation software systems were primarily small, country-specific companies.

Geac management moved quickly and aggressively to reposition the product, demonstrating to its banking clients that the SmartStream Reconciliation solution could be integrated and installed across an entire enterprise, enhancing efficiency, rationalizing operations and reducing costs. Geac then brought to bear the strength of its worldwide network to provide 24-hour support in all hemispheres. Some of the world's largest banks quickly recognized that they could trust not only Geac's solution, but also its global reach.

As a testament to its reliability, ruggedness and integrity, Geac's SmartStream Reconciliation solution was the first such product to receive a "SWIFTReady Gold" certification from S.W.I.F.T., the provider of secure global communications to more than 6,500 financial institutions in 181 countries.

In eighteen short months, Geac has transformed a latent product line into a highly profitable, industry-leading global supplier of reconciliation software solutions, now counting among its new clients many of the world's largest and most prestigious financial institutions.

Martin Brown, General Manager, Reconciliations Division

product value

"In eighteen months we changed the paradigm in the reconciliation market, displacing industry leaders who were unable to respond to client needs to deploy integrated reconciliation solutions on a global basis. By recognizing and acting quickly on this market assessment, Geac has become one of the top three vendors of reconciliation management solutions in the world."

financial review

GEAC'S BUSINESS

Geac is a provider of mission critical enterprise applications to large and small organizations worldwide. Geac's solutions are specifically designed for the critical needs of users in the banking industry, hospitality markets (restaurants and hotels), newspaper publishing, public safety, property management and real estate, and libraries. Geac is also a major supplier of cross industry administrative applications comprised of financial, human resources and materials management software and network technical services. Geac offers products on a broad range of industry standard hardware and platforms.

Geac adds to its business primarily through the acquisition of complementary products and companies that operate in its key strategic markets.

Mission critical enterprise applications are those software and hardware systems that process the core business of an enterprise and are critical to the running and the success of that business. They generally have long lifespans and are not easily replaced, remaining in production for many years. In addition to the initial sale and licensing of a software system, Geac provides product support, maintenance and upgrades ("maintenance"), as well as consulting on implementation, customization and other matters ("professional services") in the years following the initial sale. Geac's well established worldwide service network and strong financial position give new and existing customers confidence that Geac support will continue over the life of their mission critical systems. As a result, Geac generally enjoys long-term relationships with its customers.

The large majority of Geac's revenues are derived from maintenance and professional services, with a smaller component coming from the actual sale and licensing of software and hardware products. On average, for each of Geac's clients, subsequent revenues from maintenance and professional services exceed the initial software sale. These maintenance and professional services revenues generally are highly stable, predictable and generate a solid base of business from which Geac will fund its continued growth.

RESULTS OF OPERATIONS

Sales revenue in fiscal 1999 grew to $783.0 million compared to $641.7 million in fiscal 1998. Approximately $92 million of this increase is attributable to companies acquired during the 1999 fiscal year, $44 million is attributable to foreign exchange, with the balance derived from internal growth of Geac's current businesses offset by a lower contribution from better than anticipated collections of accounts receivable of acquired companies. Approximately 77% of revenues in 1999 were attributable to maintenance and professional and other predictable services compared to 76% in 1998.

Maintenance revenue, primarily contracted support of customers' licensed software, increased to $417 million compared to $357 million in the prior year primarily due to current year acquisitions. Maintenance revenue represented 53% of sales compared to 56% in fiscal 1998. Historically, maintenance revenue has remained relatively stable as any decline from customers replacing their systems or cancelling maintenance for other reasons is normally offset by maintenance revenue from new product sales and from price increases.

Professional and Other Services grew from $126 million (20% of sales) in 1998 to $185 million (24% of sales) in the current year. These revenues are reasonably predictable and, to the extent they fluctuate, the Company's related cost structure is scalable as the number of contractors or employees can be controlled to suit the level of business activity.

Software licenses sold to new and existing customers account for 16% (1998 - 16%) of sales. Computer hardware decreased to 7% (1998 – 8%) of sales, a result of mix and business model changes.

The Company operates throughout the world, and as such segments its revenues geographically. In 1999, 68% of total revenues came from the USA and Latin America (67% in 1998), 18% from Europe (17% in 1998), 6.7% from Canada (7.7% in 1998) and 7% from Australasia (8% in 1998). The change in percentages of total sales between 1999 and 1998 is primarily the result of foreign exchange differences.

Costs, excluding the amounts discussed below, increased to $468 million (60% of sales) from $348 million (54% of sales) in 1998. The increase in costs is largely attributable to costs from newly-acquired companies, and foreign exchange. The change in costs as a percentage of sales in 1999 compared to the prior year is the result of a reduced impact from acquisition-related provisions, and, increased professional services revenues.

Management estimates that income from operations before unusual items and income taxes, after removing the effects of better than anticipated collections of receivables at acquired companies and the reduced impact from acquisition-related provisions, was approximately $165 million in fiscal 1999.

Research and development expenses, net of tax credits, increased to $100 million (13% of sales) compared to $81 million (13% of sales) in fiscal 1998. On a cash basis, R&D expenses increased to $105 million (13% of sales) compared to $100 million (16% of sales) in the prior year. R&D programs in both years reflect investments in new and improved products as well as continued spending on ensuring the Company and its clients are Year 2000 compliant and Euro-enabling a number of products.

Interest income was $10.2 million compared to $4.6 million in the prior year due primarily to higher average cash balances.

Provision for income taxes was $27.1 million compared to $10.0 million in fiscal 1998. Geac operates world-wide through wholly owned subsidiaries in foreign countries. The tax consequences of these operations vary significantly based on the results of each legal entity and the tax laws of each country. Future effective tax rates on income are likely to be substantially lower than the combined basic Canadian federal and provincial rate of 44%. This is due to a combination of factors, including the fact that most countries in which Geac operates have lower effective tax rates, acquired subsidiaries have a total of $33.5 million of tax losses and $106.6 million of net favourable timing differences are available to apply against future income. As well, the resolution of many of the inherited problems in acquired businesses at lower cost than originally estimated contributes to the low rate of taxes. The provisions made to anticipate such costs are recorded in the consolidated financial statements, but do not enter into the computation of taxes payable by any legal entity. Consequently, the favorable resolution of such provisions does not give rise to income taxes. The Company's continuing ability to continue to record income taxes at its current effective rate is highly dependent on continued success in achieving these results and in the continued replenishment of the tax loss and timing difference pools. The unusually low fiscal 1998 tax provision (5.6% of pre-tax income) was the result of very favourable circumstances. The utilization of tax losses and timing differences depends on the financial results of individual subsidiaries and, because individual subsidiary future earnings are not certain, some tax losses may expire before they can be utilized.

Geac reported a net loss of $111.6 million for fiscal 1999 compared to a net income of $168.7 million for fiscal 1998. The net loss in fiscal 1999 includes expensing, as unusual items, $268.9 million of goodwill, software, restructuring and Year 2000 costs. An amount of $4 million is included in the income tax provision to take account of the impact of these unusual items.

During the fourth quarter of 1999, the Company undertook a comprehensive review and evaluation of its operations, then initiated a reorganization of specific areas within the Company. Restructuring costs in the amount of $25.2 million have been provided for in the 1999 fiscal year. These costs relate primarily to premises rationalization and employee severance and related expenditures. The related restructuring activities are expected to be substantially complete by April 30, 2000. As well, the Company continues its endeavours to assist its customers in system implementations to address the Year 2000 issue. The Company estimates that its program to assist its customers with their migration to a state of Year 2000 compliance during fiscal 2000 will cost $5.1 million. These costs have been recorded in the 1999 fiscal year.

As a result of the comprehensive review and evaluation referred to above, the Company has determined that certain write-offs and write-downs of intangible assets are appropriate. These write-downs and write-offs of intangible assets include the following:

i. The write-off of the carrying value of acquired software of $22.6 million and the write-off of the carrying value of capitalized software development of $82.8 million. When a decision is made to acquire or develop software, management estimates the cost to develop or acquire based on available information at that time on the market for those products and the future potential. However, these estimates are subject to substantial uncertainty due to the volatility and velocity of change in the software industry. Based on a review and evaluation undertaken in the fourth quarter of 1999, all capitalized software is being written off to reflect the uncertainty of future revenue prospects.

ii. Reduction in the carrying value of goodwill from acquisitions by $133.2 million which in management's view is permanently impaired because of changes in market conditions and business focus. The decision to reduce goodwill was based on an evaluation of undiscounted cash flow and profitability projections for each related acquired business.

In November 1996 the Company acquired Dun and Bradstreet Software Services, its largest acquisition to date, and subsequently renamed it SmartEnterprise. Geac has spent the last two fiscal years restructuring and repositioning the acquired operations. The majority of the unusual items outlined above relate to the Company's review and evaluation of the SmartStream portion of this operation. Management believes that as a result of these charges, the operation is stronger and should generate sustainable operating margins over the longer term.

In conjunction with its review and evaluation, the Company has concluded it would be appropriate to amortize the remaining, and any future purchases of, goodwill over a period not to exceed ten years rather than the previous estimate of twenty years. In addition, the Company expects that future costs of developing or purchasing software will not meet the criteria for capitalization and thus will be expensed in the period in which such software may be developed or acquired.

Schedule of Unusual Items	SmartStream	Other Operations	**Total**
Write-down of portion of acquisition goodwill	$ 118.9	$ 14.3	**$ 133.2**
Write-off of value of capitalized software	48.7	34.1	**82.8**
Write-off of value of acquired software	19.5	3.1	**$ 22.6**
Total write-down of intangible assets	$ 187.1	$ 51.5	**$ 238.6**
Restructuring & Y2K Charges:			
Premises rationalization / severance	$ 12.5	$ 12.7	**$ 25.2**
Migrating clients for Y2K issue	$ 3.0	$ 2.1	**5.1**
Total restructuring & Y2K charges	$ 15.5	$ 14.8	**$ 30.3**
Total Unusual Items	$ 202.6	$ 66.3	**$ 268.9**

LIQUIDITY AND CAPITAL RESOURCES

Historically, Geac has consistently generated positive cash flow from operations. The majority of the Company's revenues are derived from its maintenance and professional services businesses, which provide a steady, predictable and recurring stream of positive cash. Geac uses this cash to fund its growth through acquisition.

Cash from operating activities, before changes in non-cash working capital components, was $201.7 million compared to $223.8 million in 1998. The reduction in cash from operating activities was attributable to lower net income, before write-down of other assets, as compared to 1998. The increase in accounts receivable in fiscal 1999 is primarily a result of companies acquired during the year.

Investments in fixed assets, other assets and acquisitions less cash acquired were also higher in 1999 than in the previous year. During the year ended April 30, 1999, the Company acquired the following businesses: Interealty Corp (through the acquisition of its parent News Holdings Corp.), Cruickshank Technology Pty Limited, Stowe Computing Australia, Stowe Computing Finance Pty Limited, Stowe Computing (NZ) Limited and Phoenix Systems Limited. The Company also acquired the remaining 75% interest in its former joint venture Soluzioni Gestionali. The acquisitions in 1999 were made for a total net cash consideration of $39.9 million. This compares to fiscal 1998, when three small acquisitions were made for total net cash consideration of $1.6 million.

During 1999 Geac issued 1,659,000 common shares for net proceeds of $17.9 million, and purchased and cancelled 1 million common shares under its normal course issuer bid for the amount of $28.1 million. There were no purchases under normal course issuer bids in 1998. In addition, long term debt was reduced by $32.9 million in 1999 compared with $55 million in 1998.

Cash balances were $227 million at April 30, 1999, an increase of $9.4 million during the year. The Company has an unused one year renewable operating line of credit of approximately $109 million (US$ 75 million). Commitments at April 30, 1999 consist primarily of lease obligations for office space. No significant fixed asset expenditures are anticipated. Current cash balances, available credit lines and future operating cash flows are expected to be sufficient to cover foreseeable operating cash requirements and the repayment of approximately $71 million of long-term debt in the coming two fiscal years. Cash potentially may be used for the repurchase of the Company's outstanding common shares under a normal course issuer bid and for the acquisition of new businesses.

Geac's cash is normally invested in short-term (one year or less) non-leveraged financial instruments issued or guaranteed by major financial institutions in the countries in which it operates or in similar low risk instruments. Since Geac intends to hold these investments to maturity, they are valued at cost plus accumulated interest. Geac may occasionally make an investment in publicly traded securities of companies in similar businesses. Cash is held in various countries and currencies according to anticipated future needs, including potential acquisitions. Foreign exchange amounts included in operations were a $1.3 million gain in fiscal 1999, and a $1.3 million loss in fiscal 1998. Approximately $1 million of cash is used to secure letters of credit, performance bonds or bank guarantees and is not available for immediate expenditure.

What is commonly known as the "Year 2000 Issue" arises because many computer hardware and software systems use only two digits to represent the year. As a result, these systems may not calculate dates beyond 1999, which may cause errors in information or system failures. As a developer and a reseller of computer software and hardware, Geac is significantly affected by this issue.

With respect to its internal systems, the Company is taking reasonable and appropriate steps in an attempt to identify and remediate the Year 2000 Issue before the end of 1999. Geac does not expect the cost of these efforts to be material.

In 1997, Geac created a task force to develop an action plan, which would address the Year 2000 readiness of Geac's hardware and software offerings and internal systems. In fiscal 1998 and 1999 the Company has carried out that action plan and is on schedule for completion in calendar 1999, with the work being substantially complete. The Company has provided an amount of $5.1 million to address specific unbillable items relating to assisting its customers in system implementations to address the Year 2000 issue during fiscal 2000.

In the ordinary course of its development efforts, Geac designs its currently marketed software and hardware offerings to be Year 2000 ready, and tests for Year 2000 readiness as part of normal quality assurance procedures. However, the Year 2000 readiness of Geac's customers and the hardware and software offerings from Geac's suppliers, subcontractors and business partners may vary. Versions or releases of many older Geac and third party products are known not to be Year 2000 ready or have not been tested for Year 2000 readiness. Accordingly, Geac continues to advise customers currently on Geac support, and others who are known to it, about the known status of products and their own responsibility to test for Year 2000 readiness in their own operating environment. Geac is aware of the potential for claims against it and other companies for damages from products and services that are not Year 2000 ready. The Company believes that such claims against it will be without merit. While the Company does not believe that the Year 2000 matters discussed above will have a material impact on its business, financial condition and/or results of operations, it is uncertain whether or to what extent the Company may be affected by such Year 2000 claims.

Additionally, Geac is in the process of developing and implementing contingency plans with respect to Year 2000 requirements. Contingency plans for both Geac product divisions and Geac's internal operations are being evaluated on a case by case basis and will vary in nature depending upon each operation and/or product. In particular, Geac intends to provide sufficient resources to be available in the support departments of each product division by restricting the vacation time of its support and development personnel during the months of December 1999 and January 2000 in order that such resources will be available to address customer inquiries prior to and after the Millennium crossover period. Such resources will be required to be available during what would otherwise be considered to be off-support or non-support hours (additional fees may be charged where such service is not being subscribed for by the customer). Additionally, on a division by division and product by product basis, plans are being considered to be able to have alternate sites available to provide telephone support should utility suppliers be unable to provide uninterrupted services.

RISKS AND UNCERTAINTIES

Geac is subject to the typical risks of software based technology companies. These risks and uncertainties include, but are not limited to, the following:

- Rapid technological change. Geac's broad range of products, multiple platforms, worldwide operations and significant maintenance revenue stream tend to limit the impact, positive or negative, from any single technological change.
- Aggressive, well financed competitors including those that have a larger penetration than Geac in many markets. Management believes that Geac's broad geographic exposure, diverse product line and established base of over 25,000 customers in a number of different industries limits its exposure to any one competitor in any one market.
- Dependence on the ability to hire and retain key personnel in an environment where there is a general shortage of skilled technical, sales and management personnel. Geac believes the compensation packages and career opportunities present in the Company are sufficient to attract and retain an appropriate level of skilled personnel. However, the Company's business would be negatively impacted by the loss of, or inability to hire and retain, key personnel.
- Fluctuations in operating results caused by changes in demand, long sales cycles, delays in introduction or unexpected problems with introduction or enhancements of products and many other possible market factors may also negatively affect the Company's business.
- Substantial foreign exchange risk because most of its assets and liabilities are denominated in foreign currencies. Management currently manages this risk through natural hedges without the use of hedging transactions such as forward contracts or similar financial instruments.

OUTLOOK

Geac's industry, the sale and support of mission-critical computer software solutions, has been characterized by strong growth over the past decade. However, there are mixed views as to the impact on sales and industry growth due to the Year 2000 issue. It is possible that as companies ensure they are Year 2000 compliant, there will be a drop in demand for new software programs, particularly through the latter part of the calendar year 1999. Geac has attempted to structure its operations to minimize its reliance on the sale and licensing of new software products. For the fiscal year ended April 30, 1999, more than 75% of Geac's revenues were derived from maintenance and professional and other services.

The impact on the transition to the calendar year 2000 on Geac's maintenance revenues from its installed base is uncertain. It is possible that some customers may be waiting until after the change of the calendar before assessing whether to consider changing their mission critical software solutions. However, any drop in maintenance and professional and other services revenue should be mitigated by the opportunity for increased license sales of new software.

In addition, the mission-critical nature of Geac's software products makes it extremely difficult for an enterprise to change to another vendor or supplier. Geac's products generally process the core business of a Company and are critical to the running and success of that Company. As such, Geac is less susceptible to being replaced by a competitor. In addition, the long-term lifespan of Geac's products present a significant barrier to entry to competitors.

Geac intends to continue its growth primarily by acquiring businesses that strengthen its position in businesses and markets in which the Company currently operates, and by acquiring businesses in new vertical markets where the Company believes it has an opportunity to grow profitably. Geac will evaluate acquisition opportunities of any size, anywhere in the world. Preferred candidates for acquisition are businesses with a substantial customer base and ongoing service and support revenues. These businesses should present the opportunity to be integrated with Geac's existing business units and infrastructure, and the potential to earn margins similar to Geac's existing businesses. Current valuations of publicly traded technology companies suggest a large population of potential acquisition targets.

While Geac continues to aggressively pursue acquisition opportunities, the amount and timing of such future expenditures are not predictable. Based on current market conditions, management believes that additional capital would be available if required to fund major acquisition opportunities.

Management also continues to focus on operating efficiencies by controlling direct operating expenses and overheads.

MANAGEMENT'S REPORT AND AUDITORS' REPORT

The consolidated financial statements and other financial information in this annual report were prepared by management of Geac Computer Corporation Limited, reviewed by the Audit Committee and approved by the Board of Directors.

Management is responsible for the consolidated financial statements and believes that they present fairly the Company's financial condition and results of operations in conformity with generally accepted accounting principles. Management has included in the Company's consolidated financial statements amounts based on estimates and judgements that it believes are reasonable under the circumstances.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits. Management further assures the quality of the financial records through careful selection and training of personnel, and through the adoption and communication of financial and other relevant policies.

The shareholders have appointed Deloitte & Touche LLP to audit the consolidated financial statements. Their report outlines the scope of their examination and their opinion.

Douglas Bergeron
President and Chief Executive Officer

John Lanaway
Chief Financial Officer and Senior Vice President

To the Shareholders of Geac Computer Corporation Limited:

We have audited the consolidated balance sheets of Geac Computer Corporation Limited as at April 30, 1999 and 1998 and the consolidated statements of operations, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 1999 and 1998 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Toronto, Canada
July 2, 1999

CONSOLIDATED BAL

(thousands of dollars)	April 30 1999	1998
Assets		
Current assets:		
Cash and short-term investments	**$ 226,893**	$ 217,457
Accounts receivable	**102,760**	62,283
Unbilled receivables	**15,941**	16,809
Inventory	**7,825**	6,574
Prepaid expenses	**9,312**	6,523
	362,731	309,646
Fixed assets (note 2)	**47,723**	39,776
Other assets (note 3)	**196,783**	353,150
	$ 607,237	$ 702,572
Liabilit		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 137,674**	$ 102,971
Income taxes payable (note 11)	**20,526**	9,986
Current portion of long-term debt (note 4)	**35,766**	35,010
Deferred sales revenue	**213,669**	207,988
	407,635	355,955
Long-term debt (note 4)	**35,238**	68,860
	442,873	424,815
Shareholders' Equity		
Share capital (note 6)	**106,279**	90,073
Retained earnings	**56,286**	194,243
Cumulative foreign exchange translation adjustment (note 7)	**1,799**	(6,559)
	164,364	277,757
	$ 607,237	$ 702,572

Approved by the Board of Directors:

William G. Nelson

William G. Nelson
Chairman

Charles S. Jones
Chairman of the Audit Committee

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended April 30	
(thousands of dollars, except per share amounts)	**1999**	1998
Revenues		
Sales	**$ 782,991**	$ 641,731
Interest income	**10,209**	4,627
Investment income	**110**	18
	793,310	646,376
Expenses		
Costs, excluding amounts shown below	**468,111**	348,229
Research and development expenses	**102,240**	82,910
Research and development investment tax credits (note 11)	**(1,800)**	(1,800)
Depreciation and amortization	**33,681**	30,721
Interest expense	**6,691**	7,631
	608,923	467,691
Income from operations before unusual items and income taxes	**184,387**	178,685
Unusual items (note 10)	**268,854**	–
Income (loss) before income taxes	**(84,467)**	178,685
Provision for income taxes (note 11)	**27,100**	10,000
Net income (loss) for the year	**$ (111,567)**	$ 168,685
Earnings (loss) per share		
Basic	**$ (1.80)**	$ 2.82
Fully diluted	**$ (1.80)**	$ 2.67

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Years ended April 30	
(thousands of dollars)	**1999**	1998
Retained earnings at the beginning of the year	**$ 194,243**	$ 25,558
Premium on redemption and cancellation of shares (note 6)	**(26,390)**	–
Net income (loss) for the year	**(111,567)**	168,685
Retained earnings at the end of the year	**$ 56,286**	$ 194,243

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

(thousands of dollars)	Years ended April 30 1999	1998
Operating activities		
Net income (loss) for the year	**$ (111,567)**	$ 168,685
Adjusted for amounts not affecting cash:		
Depreciation of fixed assets	**18,055**	16,338
Amortization of other assets	**56,673**	38,739
Write down of other assets (note 3)	**238,575**	–
	201,736	223,762
Changes in non-cash working capital components	**(39,617)**	(3,965)
Cash provided by operating activities	**162,119**	219,797
Investing activities		
Additions to fixed assets	**(13,156)**	(11,392)
Additions to other assets	**(64,918)**	(43,687)
Acquisitions less cash acquired (note 13)	**(39,917)**	(1,569)
Foreign exchange translation adjustment	**8,358**	(1,581)
Cash used in investing activities	**(109,633)**	(58,229)
Financing activities		
Issue of common shares	**17,936**	18,998
Purchase and cancellation of common shares	**(28,120)**	–
Decrease in long-term debt	**(32,866)**	(55,010)
Cash used in financing activities	**(43,050)**	(36,012)
Cash and short-term investments		
Net cash increase during the year	**9,436**	125,556
Cash position at the beginning of the year	**217,457**	91,901
Cash position at the end of the year	**$ 226,893**	$ 217,457

Unless otherwise stated, amounts are in thousands of Canadian dollars.

ACCOUNTING POLICIES

Accounting principles

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of consolidation

These consolidated financial statements comprise the financial statements of Geac Computer Corporation Limited and its subsidiary companies.

Short-term investments

The Company's short-term investments consist of high quality short-term (one year or less) non-leveraged financial instruments issued by or guaranteed by major financial institutions in the countries in which it operates or in similar low risk instruments. Since the Company intends to hold the financial instruments to maturity, they are valued at cost plus accumulated interest. In addition, the Company may occasionally make investments in publicly traded securities of companies in similar businesses. Investments in shares of publicly traded securities are valued at the lower of cost or quoted market value.

Inventory

Raw materials are valued at the lower of cost on a first-in first-out basis and replacement cost. Work in progress and finished goods inventory are stated at the lower of cost on a first-in first-out basis and net realizable value.

Fixed assets

Fixed assets are recorded at cost and are depreciated as follows:

- Buildings – 40 years straight-line.
- Computers, processing and office equipment and machinery – 3 to 5 years straight-line.
- Automobiles – 4 years straight-line.
- Leasehold improvements – straight-line over the lease term.

Goodwill

Goodwill represents the excess of purchase consideration over fair market value of net identifiable assets acquired. To date, goodwill has been amortized over the expected life of the benefits which was estimated to be 20 years. Goodwill is evaluated in each reporting period to determine if there were events or circumstances which would indicate a possible inability to recover the carrying amount. Such evaluation is based on various analyses including undiscounted cash flow and profitability projections which necessarily involves significant management judgement because of the close integration of acquired businesses into other Geac operations. In conjunction with the current year review it has been determined that existing goodwill will be amortized over a 10 year period. Goodwill resulting from future acquisitions will be amortized over the expected life of the benefits resulting from acquisition, which is not expected to exceed 10 years.

Revenue recognition

The Company's activities are the design, development, sale, service and support of computer systems and software, primarily to end user customers. System sales revenues are recognized at the time of shipment or upon customer acceptance. Provisions are made for warranties or returns where applicable. The timing of revenue recognition often differs from contract payment schedules, resulting in revenues that have been earned but not billed. These amounts are included in unbilled receivables. Maintenance and support revenues are recognized ratably over applicable contractual periods or as services are performed. Amounts billed in accordance with customer contracts, but not yet earned are recorded as deferred sales revenue.

Research and development costs

Research costs, other than capital expenditures are expensed as incurred. Development costs are expensed as incurred unless they meet the criteria under generally accepted accounting principles for deferral and amortization. Capitalized development costs are evaluated in each reporting period to determine if they continue to meet the criteria for capitalization. Such evaluation is based on various analyses including undiscounted cash flow and profitability projections which necessarily involves significant management judgement given the rapid pace of technological change in the industry and variables affecting product lives. Research and development costs are reduced by the amount of related government grants and other amounts recoverable.

Foreign exchange

All of the Company's foreign operating subsidiaries are financially and operationally independent of the parent and are considered self-sustaining. Assets and liabilities of these subsidiaries are translated into Canadian dollars at exchange rates in effect at the balance sheet dates. Income and expense items are translated at average exchange rates for the periods. Accumulated net translation adjustments are included as a separate component of shareholders' equity.

Current monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet dates. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Exchange gains or losses are recognized currently in earnings.

Long-term monetary debt of the Company which is denominated in foreign currencies is translated at exchange rates in effect at the balance sheet dates and the resulting gains or losses are deferred and amortized over the period of the debt.

			1999			1998
	Cost	**Accumulated Depreciation**	**Net**	Cost	Accumulated Depreciation	Net
Land	**$ 1,231**	**$ –**	**$ 1,231**	$ 408	$ –	$ 408
Buildings	**7,673**	**1,241**	**6,432**	3,008	858	2,150
Computer and office equipment	**129,240**	**101,774**	**27,466**	133,501	107,689	25,812
Automobiles	**1,013**	**718**	**295**	1,583	1,135	448
Leasehold improvements	**21,382**	**9,083**	**12,299**	21,157	10,199	10,958
	$ 160,539	**$ 112,816**	**$ 47,723**	$ 159,657	$ 119,881	$ 39,776

	1999	1998
Acquired capitalized software development (note 13)	**$ –**	$ 50,641
Capitalized software development	**–**	74,962
Less: Accumulated amortization	**–**	(37,203)
	–	88,400
Goodwill (note 13)	**243,730**	288,622
Less: Accumulated amortization	**(46,947)**	(23,872)
	196,783	264,750
Total other assets	**$ 196,783**	$ 353,150

During the fourth quarter of 1999, the Company completed a comprehensive review of both capitalized software development and goodwill. As a result management has determined that:

a) $22,575 of acquired software development and $82,768 of capitalized software development costs no longer meet the criteria, under generally accepted accounting principles, for deferral and have been written off as an unusual item (note 10)
b) there is no longer reasonable assurance of the recoverability of $133,232 of goodwill which relates primarily to one acquired product line; accordingly that amount has been written off as an unusual item (note 10)
c) $30,084 of acquired software arising from 1999 acquisitions should be re-categorized as goodwill
d) the amortization period for the remaining goodwill should be reduced from 20 to 10 years

4. LONG-TERM DEBT

	1999	1998
Reducing term bank loan (US$ 50 million, *1998 – US$ 75 million*), bearing interest at a variable rate based on US$ LIBOR plus a spread tied to certain financial ratios. The spread which ranges from 0.75% to 1.375% is adjusted quarterly. The loan is secured by the assets of the Company and is repayable in equal instalments on January 31, 2000 and January 31, 2001	**$ 71,004**	$ 103,870
Less: current portion of long-term debt	**(35,766)**	(35,010)
	$ 35,238	$ 68,860

The Company also has a one year renewable operating bank line of US$ 75 million bearing interest at a variable rate based on US$ LIBOR plus a spread tied to certain financial ratios. The spread which ranges from 0.75% to 1.375% is adjusted quarterly. In addition, the Company is obligated to pay a commitment fee which ranges from 0.10% to 0.25% per annum on the unused portion of the operating line. The line is secured by the assets of the Company. No amount is outstanding under this facility as at April 30, 1999 or 1998.

COMMITMENTS AND CONTINGENCIES

The Company has operating leases on rental equipment for varying terms up to a maximum of 5 years and has entered into leases for rental of premises for varying terms up to a maximum of 8 years. Aggregate lease payments in each of the five years ending April 30, 2004 and subsequent are as follows:

2000	$ 18,830
2001	17,027
2002	12,853
2003	7,638
2004	6,141
2005 and subsequent	8,473
	$ 70,962

As at April 30, 1999 letters of credit are outstanding for approximately $2.2 million (1998 – $1.9 million). The Company is potentially liable for approximately $1.8 million of performance bonds which are routinely issued on its behalf by insurance companies and other third parties in connection with outstanding contracts with various public sector customers. There has never been a claim under any of the Company's performance bonds and any estimated outstanding contract obligations are provided for in the accounts.

During the normal course of business there are various claims and proceedings that have been or may be instituted against the Company. The disposition of the matters that are pending or asserted, for which provision has not already been made, is not expected by management to have a material adverse effect on the financial position of the Company or its results of operations.

The Company may be subject to uncertainty due to the Year 2000 issue. The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Company, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and preference shares, issuable in series, each without par value.

The Company is eligible to purchase up to a maximum of 3,080,832 common shares, being 5% of the 61,616,637 common shares outstanding at June 30, 1998, under a normal course issuer bid, effective from August 13, 1998 to August 12, 1999. During fiscal 1999, the Company purchased and subsequently cancelled 1,000,000 of its common shares at an average price of $28.12 per share through the facilities of the Toronto Stock Exchange. The premium on repurchase and cancellation of $26,390 has been charged to retained earnings.

An analysis of the share capital account is as follows:

	thousands of shares			
	1999	1998	**1999**	1998
Balance at the beginning of the year	**60,878**	58,870	**$ 90,073**	$ 71,075
Issued for cash	**1,659**	2,008	**17,936**	18,998
Cancelled	**(1,000)**	–	**(1,730)**	–
Balance at the end of the year	**61,537**	60,878	**$ 106,279**	$ 90,073

Stock Ownership Plan

An Employee Stock Ownership Plan, under which employees may make quarterly purchases of shares in the Company at a 10% discount from the lower of the weighted average market price of the shares during the fiscal quarter or the average market closing price during the last 5 days in the quarter, has been in existence since 1984. During 1999, 16,153 shares were issued to employees under this plan (1998 – 11,641). The aggregate number of shares still available to be issued under this plan is 119,018 (1998 – 135,171).

Stock Options

Options have been granted to management personnel and non-employee directors to purchase common shares at or above the prevailing market price at the time of the grant under the Employee Stock Option Plan. These options are vested or vest at various times over the next 4 years and expire 5 years after vesting.

An analysis of the stock options is as follows:

(thousands of shares)	1999	1998
Balance at the beginning of the year	**4,912**	5,292
Options granted	**846**	1,892
Options exercised at option prices from $2.175 to $19.00 (1998 – $0.80 to $19.00)	**(1,643)**	(1,996)
Options cancelled or expired	**(633)**	(276)
Balance at the end of the year	**3,482**	4,912

The outstanding options as at April 30, 1999 were granted at prices from $2.175 to $56.15 (1998 – $2.175 to $42.00) per common share.

In addition 500,000 options have been granted to a senior officer of the Company at a price of $22.15 vesting over the next four years and expiring in ten years.

7. CUMULATIVE FOREIGN EXCHANGE TRANSLATION ADJUSTMENT

	1999	1998
Cumulative unrealized loss at the beginning of the year	**$ (6,559)**	$ (4,978)
Unrealized gain (loss) for the year on translation of net assets	**18,241**	(880)
Realized gain on dividends and repayment of investments by foreign operations	**(9,883)**	(701)
	$ 1,799	$ (6,559)

8. SEGMENTED INFORMATION

The Company has adopted the new CICA reporting requirement Section 1701 Segment Disclosures. This new standard requires segmentation based on the way management organizes segments for monitoring performance. Based on the criteria suggested by the new standard to evaluate and aggregate the segments, the Company operates in one industry segment: the design, development, sale, service and support of computer systems and software products.

To arrive at this conclusion the Company considered, among many items, the following:

a) types of information provided on a regular basis to the Board of Directors and Chief Executive Officer,
b) the nature of products and services offered,
c) the production and distribution of products,
d) customer types, and
e) amounts of revenues and assets related to specific products.

The Company operates internationally with a substantial portion of its business conducted in foreign currencies. The Company's offices are arranged on a geographical basis. Various products and services of the same nature are offered in each location. Technology processes, marketing and distribution strategies are similar for all of the Company's products. The Company has many customer types and it is not unusual for a customer to buy more than one of the product offerings. The Company tracks sales and related direct costs for each individual product, however, the Company manages its assets by geographic region rather than on a product line basis. Because product lines often share assets in the same geographic location, amounts attributable to specific products would not be readily determinable.

Accounting policies for the segment are the same as those described in note 1. Financial information for segment profit is the same as that presented in the consolidated financial statements. The geographical information is as follows:

	1999		1998	
	Revenue	**Capital Assets***	Revenue	Capital Assets*
Canada	**53,904**	**40,729**	49,867	24,968
USA and Latin America	**535,992**	**171,821**	433,904	323,862
Europe	**145,766**	**17,754**	109,848	32,782
Australasia	**57,648**	**14,202**	52,757	11,314
Total	**793,310**	**244,506**	646,376	392,926

** capital assets include related intangibles such as goodwill and capitalized software development*

Revenues in the above schedule are based on the location of the sales organization, which largely reflects the location of the customers to which sales are made. Revenues are derived from licensing of software and the provision of related support and consulting services. There were no customers of the Company which represent revenues of 10% or more of the Company's total revenues.

9. FINANCIAL INSTRUMENTS

Financial instruments included in the balance sheets are comprised of cash and short-term investments, accounts receivable, unbilled receivables, accounts payable and accrued liabilities and long-term debt.

a) Fair values of financial assets and liabilities – the fair values of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities are equivalent to their carrying value because of the short-term maturity of those instruments. The fair value of the long-term debt is $72,880 (1998 – $107,265) and varies from the carrying value on the balance sheets mostly due to the amortization of foreign exchange losses over the term of the debt. The Company is not party to any derivative instruments.

b) Credit risk – the Company is subject to credit risk through billed and unbilled receivables and short-term cash investments. Receivables are with customers in many diverse industries and are subject to normal industry credit risks. The Company places its temporary excess cash in high quality short-term financial instruments issued by or guaranteed by major financial institutions in the countries in which it operates or in similar low risk instruments. Occasionally investments in publicly traded securities of companies in similar businesses are made and these are valued at lower of cost or market value which approximated the fair value at April 30, 1999 and 1998.

c) Interest rate risk – the Company is subject to interest rate risk on its floating rate bank term loan. The increase or decrease in interest expense for each one percentage change in interest rates on the floating rate debt at April 30, 1999 and 1998 is approximately $729 and $1,073 respectively.

d) Foreign exchange risk – the Company is subject to substantial foreign exchange risk because most of its financial instruments are denominated in foreign currencies. The amount of this risk is not readily quantifiable due to the number of currencies involved.

10. UNUSUAL ITEM

In the fourth quarter of 1999, the Company established $268,854 of special charges in respect of the following:

a) write down of $238,575 of other assets (see note 3)

b) a $25,179 pre-tax provision for the cost of premises rationalization, severance and other restructuring expenditures

c) a $5,100 pre-tax provision to complete the Company's program to ensure that software used by its customers is Year 2000 compliant

An additional amount of $4,000 has been included in the provision for income taxes in relation to the above unusual items.

11. INCOME TAXES

Substantially all of the Company's activities are carried out through operating subsidiaries in a number of countries. The income tax effect of operations depends on the tax legislation in each country and the operating results of each subsidiary and the parent Company.

In fiscal 1999, the Company recognized the benefit of $1,800 (1998 – $1,800) of previously unrealized investment tax credits as their realization became reasonably assured due to the earnings history of the relevant subsidiary. The benefit is included in the statement of operations as a reduction of expenses under the caption "Research and development investment tax credits". During the year $2,600 (1998 – $1,800) was added to the pool of unrealized credits as a result of research and development activities in Canada and the U.S.A. The Company has remaining unrealized investment tax credits of approximately $2,000 (1998 – $1,200) which are available to reduce income taxes payable in future years and expire as shown in the table below. The benefit of unrealized investment tax credits will be included in the statement of operations when realization is reasonably assured.

The Company has non-capital losses of approximately $33,500 (1998 – $37,000) which are available for carryforward against taxable income in future years, which expire as shown in the table below and will be recognized when realized by a reduction in the provision for income taxes.

The Company has net favourable timing differences of $106,600 (1998 – $24,000) which may be applied against income of future years. The timing differences relate primarily to accrued expenses, deferred revenue, contract revenues, capitalized software development and depreciation and amortization of assets which are recognized in the financial statements in periods other than those in which they are included in taxable income in accordance with the tax laws of the countries in which the Company and its subsidiaries operate. Timing differences do not expire. When realized, they will be recognized by a reduction in the provision for income taxes.

	Non-capital losses	Investment tax credits
2000	$ 400	$ –
2001	–	–
2002	1,900	–
2003	1,900	–
2004 – 2014	11,600	2,000
Losses without expiry date	17,700	–
	$ 33,500	$ 2,000

The provision for income taxes reflects an effective tax rate which differs from the corporate tax rate for the following reasons:

	1999	1998
Combined basic Canadian federal and provincial income tax rate	**44%**	44%
Provision for income taxes based on above rate	**$ (37,165)**	$ 78,621
Increase (decrease) resulting from:		
Permanent differences		
Non-deductible amortization arising from acquisitions	**84,245**	11,800
Other	**(9,240)**	500
Lower rate on earnings of foreign subsidiaries	**(7,800)**	(5,000)
Losses of subsidiaries not tax effected	**2,300**	2,200
Benefit of previously unrecognized losses and timing differences realized	**(7,500)**	(78,121)
Other	**2,260**	–
Provision for income taxes per statements of operation	**$ 27,100**	$ 10,000

12. RELATED PARTY TRANSACTIONS

The accounts receivable at April 30, 1999 included $6,559 due from an officer of the Company. The amount is comprised of:

a) An interest free loan for $3,644, which will be forgiven ratably over four years ending April 25, 2003 as service is provided to the Company. The portion not forgiven becomes repayable if the officer ceases to be an employee of the Company during the four year term of the loan. Shares of the Company secure the loan and the security is released ratably as the debt is forgiven.

b) A loan for $2,915, which becomes interest bearing after the officer ceases to be employed by the Company. The interest shall be at the U.S. prime rate for a period of 3 years after cessation of employment and U.S. prime rate plus 3% thereafter. Shares of the Company secure the loan and the security is released ratably as the debt is repaid.

13. ACQUISITIONS

Year ended April 30, 1999

During the year ended April 30, 1999, the Company acquired for cash the businesses shown in the table below. Cruickshank Technology Pty Limited, Stowe Computing Australia, Stowe Computing Finance Pty Limited, Stowe Computing (NZ) Limited and Phoenix Systems Limited were asset purchases. The Company acquired the remaining 75% interest in its former joint venture Soluzioni Gestionali. In each of the remaining acquisitions, the Company acquired all of the issued and outstanding shares. Acquisitions are accounted for by the purchase method with the results of operations of each business included in the financial statements from the respective dates of acquisition. Geac accrues or reserves for known or anticipated customer, supplier or other problems at the time of acquisition just as it would in ongoing businesses.

The total purchase price of News Holdings Corp. and its subsidiary Interealty Corp. was $25,808. The acquired business included, at fair value, $13,685 of current assets, $11,654 of fixed assets, and $45,373 of current liabilities. The difference between the total purchase price and the net fair value of all identifiable assets and liabilities acquired was $45,842 and is accounted for as goodwill.

The total purchase price of the remaining acquired business was $15,088. These businesses included, at fair value, $979 of cash, $10,833 of other current assets, $1,191 of fixed assets, and $26,032 of current liabilities. The difference between the total purchase price and the net fair value of all identifiable assets and liabilities acquired was $28,117 and is accounted for as goodwill.

Acquisition	Effective date
Remanco International, Inc. and its subsidiary Remanco Systems, Ltd.	May 31, 1998
Assets of Cruickshank Technology Pty Limited and all of the issued and outstanding shares of its subsidiary Mainpac Limited	June 1, 1998
News Holdings Corp. and its subsidiary Interealty Corp.	September 7, 1998
Soluzioni Gestionali SrL	October 15, 1998
TWG Technologies Inc.	December 1, 1998
Assets of Stowe Computing Australia Pty Ltd., Stowe Computing Finance Pty Limited and Stowe Computing (NZ) Limited	December 3, 1998
Assets of Phoenix Systems Limited	April 30, 1999

Year ended April 30, 1998

During the year ended April 30, 1998, the Company acquired for cash the businesses shown in the table below. Florida Computer & Network and Princeton Network Systems, Inc. were asset purchases. In the DDN Holdings Northern Ltd. and its subsidiary AMS Training Services Ltd. acquisition, the Company acquired all of the issued and outstanding shares. Acquisitions are accounted for by the purchase method with the results of operations of each business included in the financial statements from the respective dates of acquisition. Geac accrues or reserves for known or anticipated customer, supplier or other problems at the time of acquisition just as it would in ongoing businesses.

The total purchase price was $1,653. The acquired businesses included, at fair value, $84 of cash, $2,048 of other current assets, $482 of fixed assets, and $2,347 of current liabilities.

The difference between the total purchase price and the net fair value of all identifiable assets and liabilities acquired was $1,386 and is accounted for as goodwill.

Acquisition	Effective date
Assets of Florida Computer & Network (FCN)	June 18, 1997
DDN Holdings Northern Ltd. and its subsidiary AMS Training Services Ltd.	August 1, 1997
Assets of Princeton Network Systems, Inc.	January 14, 1998

SUBSEQUENT EVENT

On June 9, 1999, Geac acquired all of the issued and outstanding shares of Cybergraphic Systems Limited of Melbourne, Australia for cash consideration of approximately $16.0 million.

(thousands of dollars, except per share amounts and financial ratios)	Years ended April 30 **1999**	1998	1997	1996	1995
Revenues	**$ 793,310**	$ 646,376	$ 381,161	$ 204,996	$ 187,474
Income from operations before unusual items and income taxes	**184,387**	178,685	57,538	40,597	37,501
Unusual items	**268,854**	–	(121,397)	–	–
Income (loss) before taxes	**(84,467)**	178,685	(63,859)	40,597	37,501
Income taxes	**27,100**	10,000	7,250	5,000	5,500
Net income (loss)	**(111,567)**	168,685	(71,109)	35,597	32,001
Earnings (loss) per share (Basic)	**$ (1.80)**	$ 2.82	$ (1.22)	$ 0.62	$ 0.56
Earnings (loss) per share (Fully diluted)	**$ (1.80)**	$ 2.67	$ (1.22)	$ 0.61	$ 0.55
Common shares outstanding[2]	**61,537**	60,878	58,870	29,068	28,806
Cash and short-term investments	**$ 226,893**	$ 217,457	$ 91,901	$ 78,622	$ 58,221
Current assets	**362,731**	309,646	188,335	132,898	114,017
Total assets	**607,237**	702,572	579,391	230,102	194,687
Current liabilities	**407,635**	355,955	328,856	63,700	66,028
Total liabilities	**442,873**	424,815	487,736	66,450	67,278
Shareholders' equity	**164,364**	277,757	91,655	163,652	127,409
Operating cash flow[3]	**$ 201,736**	$ 223,762	$ 83,291	$ 54,435	$ 44,921
Investing cash flow	**(109,633)**	(58,229)	(301,962)	(27,969)	(38,869)
Financing cash flow	**(43,050)**	(36,012)	162,266	1,832	(726)
Current Ratio	**0.89**	0.87	0.57	2.09	1.73
A/R turnover in days sales outstanding	**38.47**	37.45	47.39	50.74	56.02
EBITDA/Interest Expense[1]	**33.59**	28.44	12.99	4,351.64	1,251.94
Pre-tax operating margin[1]	**23.09%**	28.31%	15.97%	18.40%	18.96%
Return on Assets[1]	**25.90%**	24.01%	8.68%	15.47%	16.44%
Return on Capital[1]	**66.83%**	44.20%	20.07%	21.75%	25.12%

[1] excludes unusual items from the calculation
[2] 2 for 1 stock split effective Oct. 31, 1997
[3] before changes in non-cash working capital

QUARTERLY REVIEW

(thousands of dollars, except per share amounts)	Quarter 1		2		3		4	
	1999	1998	**1999**	1998	**1999**	1998	**1999**	1998
Revenues	**173,540**	145,609	**193,976**	158,790	**215,395**	174,221	**210,399**	167,756
Income before unusual items & taxes	**45,068**	36,298	**51,965**	46,061	**44,912**	51,826	**42,442**	44,500
Unusual items	**–**	–	**–**	–	**–**	–	**268,854**	–
Net income	**38,568**	30,798	**43,965**	40,061	**39,912**	44,826	**(234,012)**	53,000
Earnings per share (basic)	**0.63**	0.53	**0.71**	0.67	**0.64**	0.75	**(3.78)**	0.87
Cash from operations	**54,328**	43,464	**62,388**	53,209	**60,667**	58,703	**24,353**	68,386
Total assets	**730,764**	535,108	**784,226**	548,896	**838,098**	649,028	**607,237**	702,572
Shareholders' equity	**322,113**	125,584	**358,338**	167,142	**406,889**	214,933	**164,364**	277,757

AUSTRALIA

Geac Computers Pty Ltd.
Level 2, 29-57 Christie Street
St. Leonards, NSW 2065
Tel: 61-2-9978-7400
Fax: 61-2-9978-7490

35 Miles Street
Southbank, VIC 3006
Melbourne
Tel: 61-3-9257-7600
Fax: 61-3-9257-7690

Cybergraphic
Systems Limited
Management House
Level 5, 181 Fitzroy Street
St. Kilda, VIC 3182
Tel: 61-3-9261-6200
Fax: 61-3-9261-6211

BELGIUM

S.A. Geac NV
Tour Leopold Toren
Rue de Geneve 10
Genevestraat
1140 Brussels
Tel: 32-2-727-7811
Fax: 32-2-705-3008

BRAZIL

Geac Computers
Brazil Ltda.
Rua Dr. Renato Paes de Barros
717-3 andar Conjunto
33 Sao Paulo
CEP: 04530-001
Tel: 55-11-820-2944
Fax: 55-11-829-2406

CANADA

Geac Canada Limited
11 Allstate Parkway
Markham, Ontario
L3R 9T8
Tel: (905) 475-0525
Fax: (905) 475-3847

Networks and Technical
Services Division
45 MacIntosh Drive
Markham, Ontario
L3R 8C7
Tel: (905) 475-7733
Fax: (905) 475-7799

FRANCE

SmartEnterprise Solutions
and Hospitality Systems
Divisions
Immeuble la Defense Bergeres
345 Avenue G Clemenceau
Nanterre 92882
CTC Cedex 9
Tel: 33-1-41-35-1400
Fax: 33-1-41-35-1444

Library Systems Division
ZAC de Baudricourt
15-17 rue Charles Bertheau
Paris 75013
Tel: 33-1-45-85-9600
Fax: 33-1-45-85-0709

ITALY

Geac Italia S.r.L.
3rd Floor
Centro Direionale Colleoni
Via Paraceiso 2
20041 Agrate Brianza, Milan
Tel: 39-039-60721
Fax: 39-039-6899705

MALAYSIA

Geac Computers (M)
Sdn Bhd
Suite 11-Deluxe-A
Seksyen 26
Bandar Petaling Jaya
Daerah Petaling, 39250
Tel: 60-3-754-8879
Fax: 60-3-754-6601

NETHERLANDS

Geac Computers
Benelux BV
Luifelstede 46
3431 JP Nieuwegein
Tel: 31-30-605-9611
Fax: 31-73-605-0285

NEW ZEALAND

Geac Computers
NZ Limited
93 Grafton Road
Auckland
Tel: 64-9-309-1860
Fax: 64-9-356-1860

PHILIPPINES

Geac Computers
Philippines Inc.
Unit 20C The World
Centre Building
330 Sen. Gil Puyat Ave.
Makati City
Tel: 63-2-867-8969
Fax: 63-2-867-8967

SINGAPORE

Geac Computers (S)
Pte Ltd.
6 Temasek Boulevard
#07-01/02 Suntec City
Tower 4, 038986
Tel: 65-333-6996
Fax: 65-333-6377

UNITED KINGDOM

SmartEnterprise
Solutions Division
Geac Computers Limited
Holmers Farm Way
High Wycombe
Buckinghamshire
HP12 4XU
Tel: 44-149-442-4140
Fax: 44-149-442-4240

Library Systems and
SmartStream
Reconciliation Divisions
1690 Park Avenue
Aztec West
Almondsbury, Bristol
BS32 4RA
Tel: 44-145-461-7020
Fax: 44-145-488-8503

Hospitality Systems
Division
Remanco House
Church Street
Twickenham TW1 3NJ
Tel: 44-181-891-6453
Fax: 44-181-891-6882

UNITED STATES

SmartEnterprise
Solutions Division
66 Perimeter Center East
Atlanta, Georgia 30346
Tel: (404) 239-2000
Fax: (404) 239-2404

SmartEnterprise Solutions
Education Centre
150 North Martingale Road
Schaumburg, Illinois
60173-2076
Tel: (847) 995-7300
Fax: (847) 995-7526

Library Systems and
SmartEnterprise Solutions
Divisions
9 Technology Drive
Westborough, Massachusetts
01581
Tel: (508) 871-5000
Fax: (508) 871-6850

Commercial Systems
Division
Premier Business Center
3938 Premier North Drive
Tampa, Florida 33624
Tel: (972) 550-7827
Fax: (972) 714-9420

Geac/Interealty
1951 Kidwell Drive
Suite 300
Vienna, Virginia
22182

Hotel Systems Division
15621 Red Hill Avenue
Suite 100
Tustin, California 92680
Tel: (714) 258-5800
Fax: (714) 258-5880

Restaurant Systems Division
Simon & Ledge Street
Nashua, New Hampshire
03060
Tel: (603) 889-5152
Fax: (603) 889-7538

Publishing Systems and
Public Safety Division
3707 West Cherry Street
Tampa, Florida 33607
Tel: (813) 872-9990
Fax: (813) 878-2751

directors and officers

EXECUTIVE MANAGEMENT

Douglas Bergeron
President and Chief Executive Officer

John B. Lanaway
Senior Vice President and
Chief Financial Officer

Shelley R. Isenberg
Vice President and General Counsel

Bruce Keen
Vice President
Human Resources

Neil Shafran
Vice President
Mergers and Acquisitions

OPERATIONS MANAGEMENT

Jesse Adams
President
Geac Hospitality Systems

Warren Fletcher
President
Geac Publishing Systems

Michael Harris
President
Geac Property Systems

Philip Jordan
Senior Vice President
International Operations

Jonathon Brooks
General Manager
Libraries Division

Martin Brown
General Manager
SmartStream Reconciliations Division

Molly Crews
General Manager
Collier Jackson Division

Harry Debes
General Manager
Australian Operations

Larry Dressel
General Manager
Interealty Division

Jim Handy
General Manager
Network Systems Division

Yeh Poh Leung
General Manager
Asian Operations

Tom Martin
General Manager
Hotel Systems Division

Terry Merrill
General Manager
HR and Finance Solutions Division

Joe Mislinski
General Manager
AEC Business Solutions Division

Michael Mullen
General Manager
Property Management Solutions
Division

David Poole
General Manager
International, Geac Hospitality Systems

Monty Riffer
General Manager
Restaurant Systems Division

Graeme Riley
General Manager
New Zealand Operations

Steven Shine
General Manager
SmartEnterprise Solutions Division

DIRECTORS

Douglas Bergeron
President and Chief Executive Officer
Geac Computer Corporation Limited

William G. Nelson
Chairman of the Board
Geac Computer Corporation Limited

Patrick Lavelle
Chairman
Patrick J. Lavelle & Associates Ltd.

Charles S. Jones
Chairman
First Funding Corporation

Warren Culpepper
President and Chief Executive Officer
Culpepper & Associates, Inc.

Reid M. Drury
Partner
Polar Capital Corporation

Albert Gnat, Q.C.
Partner
Lang, Michner

SHAREHOLDER SERVICES

As a Geac shareholder, you are invited to contact us in a number of ways:

ACCOUNT QUESTIONS

Our transfer agent can help you with a variety of shareholder related services, including change of address and lost share certificates.

You can call our transfer agent at: 416-981-9500

You can write them at: Montreal Trust, Stock and Bond Transfer, 8th Floor, 151 Front Street, Toronto, ON M5J 2N1

ANNUAL MEETING

Geac shareholders are invited to attend our annual general meeting, which will take place on Tuesday, September 14, 1999 at 4:00pm E.T. at: The Auditorium of the Toronto Stock Exchange, 2 First Canadian Place, Toronto, Ontario

STOCK EXCHANGE LISTINGS

Geac common shares are listed on The Toronto Stock Exchange under ticker symbol GAC. Geac common shares were split 2 for 1 effective October 31, 1997

GEAC INFORMATION & INQUIRIES

Online: You can obtain current financial information, stock quotations, press releases, product announcements as well as Geac's Year 2000 position statement at:
http:// www.geac.com

Geac Investor Relations:
You can contact Geac Investor Relations
By e-mail at: investor@geac.com
By phone at: 905-475-0525 during regular business hours for financial documents or investment related questions
By fax at: 905-475-3847
In writing at: Investor Relations Geac Computer Corporation Limited
11 Allstate Parkway, Suite 300, Markham, ON L3R 9T8

Design: Campbell Sheffield Design Inc. Printed in Canada by Somerset Graphics Co. Ltd.

www.geac.com